

ACTION SUMMARY
SPECIAL BOARD WORKSHOP MEETING

April 15, 2004 – 9:00 a.m.

Administration Building
2101 Hurley Way, Sacramento, CA

CALL TO ORDER

President Stewart called the meeting to order. Board Members Present: Engellenner, Goold, Granados, Jones, Lawson, Stewart, Valley. Directors Duveneck, Trujillo, absent.

Staff present: Fire Chief Martinez, General Counsel Price, Board Clerk Tilson, Deputy Chiefs Appel, Latta, Means, Ritter; Assistant Chiefs Cooper, Hartley, Simcoe, and Haverty; Fire Marshal Dobson, Deputy Fire Marshal Stewart; Battalion Chief Cantelme, Captain Baumann, Firefighters Maurice Johnson and Rich Schmiedt, Human Resources Analyst Junn, Administrative Coordinator Safford.

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION ON ITEM (S) SCHEDULED ON THE AGENDA:

None

REVIEW YEAR 2003 STRATEGIC OBJECTIVES—(Martinez)

A five-page staff report was submitted for review of the following 2003 Strategic Objectives and current status. The Board adopted seven continuing objectives from the 2002 annual workshop and recommended six new objectives.

2003 Continuing Strategic Objectives

1. Adopt the District Master Plan

To include:

- Fiscal Policy
- Service/Delivery Methods and Levels
- Facilities Plan
- Fleet/Equipment

The status of the above listed objectives is as follows:

➤ Fiscal Policy

Status: On-Going

- A policy for Accounts Receivable has been completed.
- Staff is also working on a draft Management and Fiscal policy for Board adoption which will cover revenue, budgetary reserves, imprest reserve accounts and the operating budget.

➤ Service/Delivery Methods and Levels

Status: Completed

- This section was completed as part of the fire station master plan; however, consistent with 2003 Objective 6, an overall review at the company level will be conducted.

➤ Facilities Plan

Status: Completed

- District Master plan adopted has been completed. Project Manager hired. A dedicated revenue source was developed - the Facilities Impact Fee Program (Appel/Price/Kuebelbeck).
- Fire Stations Facilities Plan was adopted by the Board.

❖ Fire Chief Martinez stated the Fire Station schedule should be agendized mid-summer to review the status of the established timeline base and finances versus the revenue stream.

❖ Discussion on escalating costs exceeding projections and a need to keep the project moving.

➤ Fleet/Equipment

Status: Completed

- The Fleet/Equipment Plan to include the replacement cycle was adopted by the Board of Directors. Currently, we have maintained the replacement cycle with the exception of two older type 1 engines, which remain in the fleet due to a facilities limitation. Staff is currently working on an interim facility solution to eliminate those outdated apparatus and meet the current operation needs.

- Additionally, staff was able to take advantage of grant funds to purchase needed apparatus limiting our cost and improving our fleet.

❖ Fire Chief Martinez directed Facilities to look at modifying Station 29 and rotate regular fleet in and eliminate the two older pieces of apparatus.

2. Develop and implement a recruitment, retention and training program
Status: Completed

The District continues to refine the recruitment process for Firefighter, which we have engaged in (10) ten times. As an example, we initially lost many candidates due to our extensive background process. District staff redesigned the process so when the candidate picks up the application for employment there is an "Adverse Conduct" statement, advising the candidate of the types of issues that "may" be grounds for disqualification from the process. As a result of the advance warning, the District has benefited by some self-eliminating by candidates that would not have been successful through the background had they participated in the process -- thus lowering our background cost.

The District has also engaged in a Paramedic Intern Program that was initially 22 months from program entry date to recruit academy graduation date. The recruitment was extremely difficult for this program due to the length of commitment and limited salary. Since then, the program has been redesigned to an 18-month structure and the salary has been raised to a level that allows employees to support themselves during the training. The recruitment efforts have been very successful since that modification.

While the District has experienced limited retention uses, as part of the recent labor negotiations, that issue was raised and salary and benefits were adjusted to address future possible retention challenges. In addition, the District continues to include various programs and processes that encourage employee participation as a vehicle to maintaining an engaged workforce.

- ❖ Fire Chief Martinez stated last year there was a concern with diversity and the need to attract paramedics. Work is continuing through the schools and community. The paramedic program has made great headway with the new salary and benefit structure.
- Training is an on-going issue and trying to foster readily available training within the District.
- No official succession plan. The issue is being looked at from the ground floor up. HR has gone through the process of developing a task book to prepare individuals for advancement into the roles of Engineers, Captains, and Battalion Chiefs.

3. Develop and implement an automated District fiscal management program
Status: Completed

A new automated financial program was authorized last year. The Eden Financial Plan was selected as the program to replace the outdated financial system of both American River and Sacramento County Fire Districts. Employee training has been completed and the program is being used successfully by the Finance Division and the appropriate other Divisions. Expansions of that program or related systems are being considered for other District functions.

- ❖ Assistant Chief Simcoe stated the system may end up costing only around \$500,000—well under budget.

4. Access the District's emergency planning, disaster response, and domestic security capacity
Status: Underway

Supplemental State Domestic Preparedness Planning Grant FY2002 (\$108,984) provided funding to develop for Metro Fire a comprehensive, multi-hazard plan. Plan was completed January 2004. This plan is the foundation for activities for both planning and response. In addition, the District continues to participate in the multi-disciplinary Terror Early Warning Group. That program includes local law enforcement and fire services in the joint planning and security functions necessary to domestic security.

- ❖ Fire Chief Martinez stated our participation on a regional basis results in funding for security. Security enhancements were implemented for fire stations but we are still dealing with theft issues. Chief Ritter is researching electronic passes for fire stations.

5. Evaluate the Regional Communications Center for effectiveness in serving Metro Fire
Status: On-Going

District staff meets routinely with the Communications Center Manager. A process is being addressed, through the Interim Communications Center Manager and the District's IT staff, to establish an effective communications system to meet the District's needs. While the Interim Communications Center Manager has been very responsive to the District's needs and concerns, a new, full-time Center Manager is to be hired and in place by July 1, 2004. Due to this management change, it would be premature to consider any additional options for the next several months.

- ❖ Fire Chief Martinez stated the Board has received updates on this process.

6. Complete a viable Employee Appraisal Program for all employees
Status: On-Going

The Staff was tasked with the development and implementation of an Employee Appraisal Program. Unfortunately, the employee groups are still somewhat intimidated by the concept of such a program and envision the program as a mechanism for management to be heavy-handed and punitive. However, the District and the Locals continue to work together to devise a program that addresses the needs/concerns of both Management and Labor.

- ❖ Some Board members expressed a high priority ranking for instituting this program.
- ❖ Other discussion:
 - Evaluators need more training.
 - Need to differentiate between a career ladder and total development.
 - Evaluation is open to the meet and confer process.
- ❖ Rich Schmiedt of Local 522 stated union members are not interested in moving to an evaluation system.

7. Complete uniform Company Performance Standards
Status: On-Going

A revamping of performance standards has been underway for some time; currently, the Operations Division is compiling its recommendation for the Training Division's review.

Following a break, meeting reconvened at 10:50 a.m.

2003 Recommended New Objectives:

1. Complete labor negotiations with all represented bargaining units
Status: Complete

The largest undertaking of the District for 2003 was the negotiation of three organized labor agreements and one resolution for the unrepresented staff. The process began in earnest in October 2003, and was concluded for all referenced groups by March 9, 2004, when the Board adopted the final resolution.

2. Access the impact and effectiveness of the countywide boundary drop on Metro Fire
Status: On Hold

There has been no activity on this objective due to other priorities established by the Board.

- ❖ Need to evaluate accurate facts on run activity and time utilized prior to a cost analysis as suggested.

3. Participate in the budget and legislative process at both the State and Federal Level to ensure the District's financial, operational and jurisdictional abilities are unimpeded
Status: On-Going

This has been the major focus of the Fire Chief and selected staff members for the last year. Due to the State's financial condition and the desire by some Cities to expand into our District, we are at great risk of losing both jurisdiction and financial resources in the near future. This objective is a critical mission for staff, if we have any chance of being successful. Other activities of non-critical nature need to be minimized to allow for additional staff time. Due to our own budget issues, staff is being eliminated to reduce personnel costs. That action makes this objective more difficult.

- ❖ A full-time position suggested for monitoring legislation.
 - Valuable objective in terms of developing positive relationships with elected officials.

4. Pursue all available revenue options to include contracts for service, grants, and fees
Status: On-Going

The District has actively pursued many options such as contracts for service, grants and fees. The District participates in TRAN (Tax and Revenue Anticipation Note).

Staff has been working with an outside consultant in securing impact development fees as well as searching for new revenues. As listed below, staff has been very successful in acquiring grants to increase capacity or offset District costs.

A summary of the grants received to date is:

FY 99 State Domestic Preparedness Equip. Grant	\$98,000 (PPE equipment)
FY 01 State Domestic Preparedness Equip. Grant	\$100,000 (PPE equipment)
FY 02 State Domestic Preparedness Equip. Grant	\$125,000 (Haz Mat equipment)
FY 03 State Domestic Preparedness Equip. Grant	\$290,000 (MassDecon/Rehab unit)
FY 03 Supplemental Domestic Preparedness Grant	\$567,000 (Haz Mat / WMD unit)
FY 04 Supplemental Domestic Preparedness Grant	\$735,000 (TBD)

In addition, staff has been very successful at securing grants or contracts for services funding some of our personnel costs.

5. Initiate the fire station construction portion of the Facilities Master Plan
Status: On-Going

As the Board has been advised throughout the year, several major accomplishments have been made in our fire station construction project. A committee of administration, suppression personnel and board members met to define the parameters for the construction of new stations. We have had extensive collaboration with architects and firefighters from other fire districts for the design criteria of our new fire stations.

We acquired real properties for future fire station sites within the communities of Rio Linda, North Highlands, Fair Oaks and Vineyard. Negotiations to acquire two property sites continue for stations in Orangevale and Rosemont. New stations 32 and 107 are scheduled for bid openings at the end of 2004.

6. Continue to evaluate the emergency service delivery methods to increase efficiency and effectiveness
Status: On-Going

This is an ongoing project that will be completed with the final budget review.

- ❖ Continuing analysis on whether or not it is beneficial to continue the medic program—11% increase in medic responses but the revenue is down.

PRESENTATION OF CRITICAL ISSUES FACING THE DISTRICT—(Martinez)

Fire Chief Martinez distributed copies of his four-page report.

2004 Critical District Challenges

As part of our traditional annual workshop, the projection of future challenges make up the foundation for future objectives. The following are a sampling of the potential issues we as a District may be faced with:

Continuing Decline of our Ambulance Revenue

For the last several months the District has seen a decline in our ambulance revenue. Staff has been meeting with our third-party billing contractor to identify the cause and formulate a recommendation to improve that revenue stream. The potential revenue loss appears to be in the range of \$1-2 million dollars.

- ❖ Some loss attributable to Medicare and the allowable amount. Allowable amount will be increased but our loss will continue through this fiscal year.

Departure of the US Coast Guard from McClellan Park

Currently, the USCG provides for the majority funding for station 114. As has been reported recently, they are currently reviewing a plan to move to another federal installation. As fire protection is provided by contract to McClellan Park, the loss of that revenue source would have a major impact on maintaining that contract. The present value of the contract is \$2.7 million dollars.

- ❖ The Sacramento Chamber of Commerce is sponsoring the Capitol to Capitol with 300 people going to Washington, D.C., along with others from Project HomeSTAR (Homeland Security Training and Response). Issues include a collaborated effort to keep the Coast Guard at McClellan, among other things.

Rosemont Request for Annexation Study

A Rosemont Homeowners group has submitted a request to the City of Sacramento asking for a study to determine the feasibility of being annexed into the City. It is undetermined what the area of annexation would include. The City's sphere of influence goes from the American River, to Jackson Road, to Bradshaw Road. The City could potentially annex all or a portion of that total area. Initial studies, approximately two years ago, indicated that if the entire area were annexed by the City, the District would lose about \$3 million of annual property tax.

Arcade/Arden Incorporation Efforts

The Arcade/Arden communities have been conducting meetings for approximately two years intended to lead to a recommendation of either annexing to the City of Sacramento or forming their own city. The Carmichael community has also been involved in those discussions. Retiring Congressman Doug Ose, has been reported to have contributed \$15,000 to an incorporation effort. It is undetermined what the boundaries of the proposed city would be.

Future Annexation by City of Folsom

As has been indicated by their comments during the Metro Fire Reorganization, the City of Folsom intends to annex additional portions of our District. It is unclear what their timeline is; however, with the development of the Aerojet property it would appear that there may be a financial incentive.

- ❖ Long-term solution is to maintain an independent special district that provides service throughout the region.

Continual Operational Costs for Mather Air Park and Independence Village

As has been previously reported, both Mather Air Park and the new housing area known as Independence Village provide no financial support to the District. As such, we continue to provide structure protection, rescue, medical aid, and related emergency services. We are starting to see an expectation by those businesses and residents of increased services.

- ❖ Resolution of this issue is being researched.

Leave Our Community Assets Local (LOCAL Coalition)**Local Taxpayers and Public Safety Protection Act**

The Local Taxpayers and Public Safety Protection Act is an initiative sponsored by the League of California Cities, the California State Association of Counties, and the California Special District Association. Planned for the November 2004 statewide ballot, the measure is intended to increase local control over local tax dollars, so that funding for critical local services is more dependable and predictable.

The initiative would require a majority vote of the people before the state government would be allowed to take and use local government funds. It also strengthens existing law that says when the state mandates a program, service or added cost to local governments, the state must reimburse the local governments in a timely manner for the cost of providing that program or service.

- ❖ This measure is beneficial to the District.

Senate Bill 1272 – Senator Ortiz

Special District Governance Legislation SB-1272, currently relates to special audit issues (Suburban Water District). Would require more audits and would authorize the State Controller to conduct additional audits and/or require additional audits of special districts as the State Auditor deems necessary. Further amendments to SB-1272 are anticipated.

- ❖ Board members are affected by this bill and involvement is encouraged.
- ❖ California Special Districts is advocating a letter registering opposition. (Hearing by the Senate Local Government Committee is April 21).
- ❖ Counsel Price to analyze the bill further. Major problems involve policy issues—audits, ethics, travel reimbursements, enforcement mechanisms, etc.
- ❖ District will prepare a position statement to Senator Ortiz with information back to the Board.

Governor's Budget

The Governor's Budget proposes an additional Education Revenue Augmentation Fund (ERAF) annual property tax shift from local governments of \$1.3 billion dollars, the exact amount needed to back fill the Vehicle License Fee (VLF) losses to cities and counties after the repeal of the tripled car license tax. The proposed shift would be in addition to the current \$4.2 billion annual property tax shift to ERAF. The Governor proposes using the same formulas for the ERAF shift as were applied in 1993-2004. Under the Governor's proposal, \$105 million of the shift would come from special districts.

Legislative Analyst's (Elizabeth Hill) Recommended ERAF Shift

Ms. Hill's proposal is to "leave past formulas in the past." She proposes shifting \$400 million from special districts to ERAF. She further recommends, "The Legislature would establish a special district property tax shift amount for each county. Every County Board of Supervisors, after public hearing and debate, would revise the share of property taxes received by special districts in their county to implement the shift and reallocate property tax resources in a manner that best meets the needs of their county residents." Ms. Hill also said, "The Legislature could specify that County Boards of Supervisors may not (1) reduce a non-enterprise special districts (Metro Fire) property taxes by more than 20 percent in any single year, or (2) reallocate property taxes so that county-dependent special districts receive increased property tax revenues. (Emphasis added.)

Senator Torlakson AB-1831 and LOCAL Initiative

Senator Torlakson has offered to introduce the LOCAL initiative (Local Taxpayers and Public Safety Protection Act) as a Constitutional Amendment for the November 2004 election. Additionally, Senator Torlakson has introduced AB-1831 which would dedicate \$25 million from the federal Home Land Security Funding grant program to counties that have a program for interagency operability.

Assembly Members Steinberg and Campbell AB-1221

Assembly Members Steinberg and Campbell have co-authored AB-1221 to place the "Hertzberg Initiative" on the November 2004 ballot as a constitutional amendment. The constitutional initiative would create a 1/2 of 1% additional sales tax, the same as Prop 172 for funding of law enforcement, to help fund education in California under the School Assistance Fund for Education (SAFE).

County Service Area 11 (CSA-11)

The County Board of Supervisors has petitioned LAFCo to establish boundaries for a proposed County Service Area (CSA) that would include most of the urbanized developed unincorporated territory in Sacramento County. The CSA purportedly is being established as a mechanism to produce additional revenues to fund law enforcement, animal control and parks. Several Special District parks have come out in opposition of the CSA, saying the purported funding is anticipated to support only County operated parks and the American River Parkway, not Special District park facilities. Those park districts believe the draft language in the proposal is misleading to the public. If the boundaries are established, the County must decide between attempting to secure the additional desired funding through a Benefit Assessment or a Special Tax. The proposed assessment or tax would be between \$50 and \$100 per parcel and would generate between \$8 million and \$16 million annually.

Discussion**Martinez -**

- ❖ Legislation not included in this report:
 - Initiative that would tax Indian gaming for public service with law enforcement to receive 40%, fire 15% which would amount to approximately \$3 million but not anticipated to pass.
 - A State parcel tax on SRA land in our district with funds going to the CDF.
 - Director Granados inquired about AB 2406, copies distributed. This bill relating to fire safety would require minimum fire service emergency response time reports to be submitted to the State and only applies to cities and counties.

- Distributed copies of a fax from Director Granados containing a number of suggestions that may be used for a list of Objectives if desired by the Board.

Included, among many things:

- Request for an annual report from the District.
 - An employee satisfaction survey on the progress of the District.
- ❖ Director Granados stated two standards will be discussed at the NFPA similar to 1710 to create a new standard at the national level—will bring back all available information.

Break at 12:10 p.m.—Director Engellenner departed

- **Board Action:**

- ❖ *Critical District Challenges from Fire Chief Martinez to serve as possible Strategic Objectives.*
- ❖ *General consensus that each Board member study the information submitted today and compile a list of their Strategic Objectives for input to the Policy Committee at its next meeting.*
- ❖ *Director Granados, Policy Committee Chair, requested Board member input on the Objectives, with a listing in ranked prioritization of recommended Strategic Objectives from Fire Chief Martinez.*
- ❖ *Fire Chief Martinez recommended the Strategic Objectives be brought back to the full Board for final approval.*

ADJOURNMENT: Meeting adjourned at 12:45 p.m.

James M. Stewart, President

H. Peter Engellenner, Secretary

Charlotte Tilson, Board Clerk